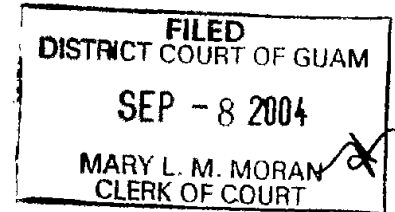


JOAQUIN C. ARRIOLA
ANITA P. ARRIOLA
ARRIOLA, COWAN & ARRIOLA
259 Martyr Street, Suite 201
Hagåtña, Guam 96910
Tel: (671) 477-9730
Fax: (671) 477-9734



Attorneys for Plaintiffs Alan Sadhwani, et al.

IN THE UNITED STATES
DISTRICT COURT OF GUAM

ALAN SADHWANI, LAJU SADHWANI,
and K. SADHWANI'S INC., a Guam
corporation,

Plaintiffs.

vs.

HONGKONG AND SHANGHAI
BANKING CORPORATION, LTD., a
Foreign corporation,
JOHN DOE I through JOHN DOE X,

Defendants.

CIVIL CASE NO. 03-00036

DECLARATION OF JOAQUIN C.
ARRIOLA IN SUPPORT OF
PLAINTIFFS' OPPOSITION TO
DEFENDANT'S MOTION TO COMPEL
ANSWERS TO SECOND SET OF
REQUESTS FOR PRODUCTION OF
DOCUMENTS

JOAQUIN C. ARRIOLA declares:

1. I am an attorney for plaintiffs Alan Sadhwani, et al. in the above-captioned matter.

I make this Declaration in support of Plaintiffs' Opposition to Defendant's Motion to Compel Answers to Second Set of Requests for Production of Documents. I have personal knowledge of the facts contained herein.

2. On July 9, 2004 and July 16, 2004, plaintiffs served their Responses and Objections, and First Amended Supplemental Responses and Objections to Defendant's Second Request for Production of Documents, respectively. The Second Requests for Production of Documents

Page -1-

defined "pertaining to" as "consisting of, relating to, or referring to, reflecting or having any logical or factual connections with, the subject matter dealt with or alluded to in a particular request." Plaintiffs, amongst other objections, specifically objected to Second Requests for Production of Documents and its definition of "pertaining to" on the basis that the definition was vague, ambiguous, overbroad and unintelligible. Without waiving any objections, plaintiffs identified documents which were previously produced.

3. On July 21, 2004, our law offices were closed for business due to the Liberation Day holiday. On the same date, my office received via facsimile a letter from Richard Pipes at 3:13 p.m. demanding a meet and confer session related to its Second Set of Requests for Production of Documents on July 22, 2003. A true and correct copy of the letter is attached hereto as Exhibit 1.

4. On July 22, 2004, at 8:55 a.m., upon receiving the letter, I immediately responded that I was willing to meet and confer with Mr. Pipes the next business day on July 23, 2004. A true and correct copy of the facsimile confirmation is attached hereto as Exhibit 2.

5. On July 23, 2004, I met with Messrs. Pipes and Bronze to discuss the discovery dispute. The entire meet and confer session lasted approximately fifteen minutes. Mr. Pipes claimed that the plaintiffs had failed to produce financial records. However, Mr. Bronze corrected Mr. Pipes and informed him that some documents were in fact produced by the plaintiffs. Messrs. Pipes and Bronze made no attempt to narrow the Second Set of Requests or address plaintiffs' concerns about the definition of "pertaining to." Thereafter, the discussion was purely limited to "Plaintiffs did not produce . . ." and "Plaintiffs did produce. . .". HSBC made no meaningful attempt to address or resolve plaintiffs' objections in the fifteen minute session.

6. On Friday, July 23, 2004, I received a letter via facsimile from Mr. Pipes, at 3:24 p.m.

providing contentions and authorities pursuant to Local Rule 37.1. Mr. Pipes demanded that I provide a response by 4:00 p.m. on Monday, July 26, 2004, which is effectively less than one business day. A true and correct copy of the letter is attached as Exhibit 3.

7. On July 26, 2004, at the close of business, I sent a letter to Mr. Pipes advising him that our response to the contentions and authorities would be provided on or before July 31, 2004. A true and correct copy of the letter is attached as Exhibit 4.

8. On July 28, 2004, I received a filed copy of the defendant's motion to compel answers to Second Requests for Production of Documents. Prior to filing the motion to compel, HSBC did not allow reasonable time to provide a response to its contentions and authorities.

I declare under penalty of perjury under the laws of Guam and the United States that the foregoing is true and correct.

Dated this 8th day of September, 2004.



JOAQUIN C. ARRIOLA

Law Offices Of
Richard A. Pipes
BankPacific Building, Suite 201
825 South Marine Drive
Tamuning, Guam 96913
Phone-(671)646-2001, Fax-(671)647-7671
E-mail: pipeslaw@guam.net

July 21, 2004

VIA FACSIMILE

Joaquin C. Arriola, Esq.
Anita P. Arriola, Esq.
Arriola, Cowan & Arriola
259 Martyr Street, Suite 201
Hagatna, Guam 96910

Re: Sadhvani, et al. v. HSBC

Dear Mr. and Ms. Arriola:

We are in receipt of your clients' supplemental responses and objections to HSBC's Second Set of Requests for Production of Documents. Although you had agreed to produce all documents requested, your clients have failed to produce any documents as required by Requests 13 through 20. Pursuant to Local Rule 37.1, you are advised that we will hold a conference on this dispute at our offices immediately after the conclusion of the deposition of Patrick Oliva on July 22. In the event that one of the attorneys from your office does not attend the meeting, we will file a declaration of non-cooperation with the court and proceed with a motion to compel.

Should you have any questions, please contact me.

Sincerely,


Richard A. Pipes

cc: Chris Underwood

RAP/mrb/HSBC/cor



MESSAGE CONFIRMATION

JUL-22-2004 08:56 AM THU

FAX NUMBER : 6714779734
NAME : ARRIOLACOWAN&ARRIOLA

NAME/NUMBER : 6477671
PAGE : 1
START TIME : JUL-22-2004 08:55AM THU
ELAPSED TIME : 00' 50"
MODE : STD ECM
RESULTS : [O.K]

Law Offices Of
Richard A. Pipes
BankPacific Building, Suite 201
825 South Marine Drive
Tamuning, Guam 96913
Phone-(671)646-2001, Fax-(671)647-7671
E-mail: pipeslaw@guam.net

July 21, 2004

VIA FACSIMILE

Joaquin C. Arriola, Esq.
Anita P. Arriola, Esq.
Arriola, Cowan & Arriola
259 Martyr Street, Suite 201
Hagatna, Guam 96910

Re: Sadhvani, et al. v. HSBC

Dear Mr. and Ms. Arriola:

We are in receipt of your clients' supplemental responses and objections to HSBC's Second Set of Requests for Production of Documents. Although you had agreed to produce all documents requested, your clients have failed to produce any documents as required by Requests 13 through 20. Pursuant to Local Rule 37.1, you are advised that we will hold a conference on this dispute at our offices immediately after the conclusion of the deposition of Patrick Oliva on July 22. In the event that one of the attorneys from your office does not attend the meeting, we will file a declaration of non-cooperation with the court and proceed with a motion to compel.

Should you have any questions, please contact me.

Sincerely,


Richard A. Pipes

cc: Chris Underwood

RAP/au/HSBC/ur

NOTE



Mr. Pipes: I will meet and confer with you tomorrow after the Hemlani deposition.



JUL-21-2004 03:13PM FAX:671 6477671

ID:ARRIOLACOWAN&ARRIOLA PAGE:002 R:94%

EXHIBIT

2

Law Offices Of
Richard A. Pipes
BankPacific Building, Suite 201
825 South Marine Drive
Tamuning, Guam 96913
Phone-(671)646-2001, Fax-(671)647-7671
E-mail: *pipeslaw@guam.net*

July 23, 2004

VIA FACSIMILE

Joaquin C. Arriola, Esq.
Arriola, Cowan & Arriola
259 Martyr Street, Suite 201
Hagatna, Guam 96910

Re: *Sadhwani et al. v. HSBC*

Dear Mr. Arriola:

Pursuant to the meeting this morning between yourself, myself, and Mr. Bronze, and pursuant to Local Rule 37.1, I am preparing the Stipulation of the parties for the filing of a motion to compel responses to HSBC's Second Request for Production of Documents ("2nd request") and HSBC's First Request for Production of Documents ("1st Request").

The contentions and points and authorities for HSBC for Requests 13 through 20 in the 2nd Request are as follows:

HSBC: The documents requested by HSBC are relevant to the subject matter and issues in this action and are reasonably calculated to lead to the discovery of admissible evidence. FRCP 26(b)(1). Plaintiffs have failed and refused to produce any of the documents requested. Instead, plaintiffs have improperly referred HSBC to sort through thousands of pages of documents produced by other parties or previously produced without properly identifying the specific documents which are responsive to the individual requests.

The contentions and points and authorities for Requests 5, 6, and 8 through 68 in the 1st Request are the same as stated above.

Please provide plaintiffs' contentions and points and authorities by 4:00 p.m. on

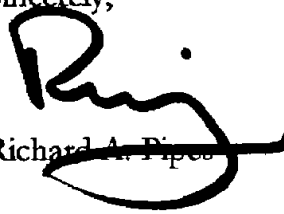


*Letter to Joaquin C. Arriola, Esq.
Arriola, Cowan & Arriola
July 23, 2004*

July 26, 2004, so that they may be inserted into the required Stipulation. If you fail to provide such contentions and points and authorities by such time, we will file a declaration referring to the non-cooperation of plaintiffs' counsel.

Should you have any questions, please feel free to contact me.

Sincerely,



Richard A. Pipes

cc: Chris Underwood

RAP/nsh/HSBC/cor

Page 2 of 2

Law Offices

Arriola, Cowan & Arriola

Joaquin C. Arriola
Mark E. Cowan
Anita P. Arriola
Joaquin C. Arriola, Jr.

259 Martyr Street, Suite 201
C & A Building
Post Office Box X
Hagåtña, Guam 96910

Telephone: (671) 477-9730/3
Telecopier: (671) 477-9734
E-mail: acalaw@netpci.com

~
Jacqueline T. Terlaje

July 26, 2004

VIA FACSIMILE: (671) 647-7671

Jacques G. Bronze, Esq.
Bronze & Tang, P.C.
2nd Floor, BankPacific Building
825 S. Marine Drive
Tamuning, Guam 96913

VIA FACSIMILE: (671) 647-7671

Richard A. Pipes, Esq.
Law Offices of Richard A. Pipes
Guam Savings & Loan Building
Suite 201, 825 S. Marine Drive
Tamuning, Guam 96911

Re: Sadhwani et al. v. Hongkong Shanghai Banking Corporation, Ltd., et.al, District Court of Guam, Civil Case No. CV03-00036

Messrs. Bronze & Pipes:

By letter dated July 21, 2004, received by this office around 3:13 p.m. by FAX on the same date, Mr. Pipes notified the undersigned that a conference on Defendant's Second Set of Requests for Production and the Plaintiff's Responses, will be held at Mr. Pipe's office "...immediately after the conclusion of the deposition of Patrick Oliva on July 22." In effect since July is the legal public holiday for the United States District Court for Guam, Mr. Pipe's advice was issued a few hours prior to the scheduled hour. In any event, this office was closed all day (except for my interview of Mr. Hemlani in the morning), so that I received the letter on Thursday, July 22, 2004. I suggested that the conference be held after the Hemlani Deposition.



FAXED
[Handwritten signature]

Arriola, Cowan & Arriola
Page 2

Jacques G. Bronze, Esq.
Richard Pipes, Esq.
**Re: Sadhwani et al. v. Hongkong Shanghai
Banking Corporation, Ltd., et.al, District Court
of Guam, Civil Case No. CV03-00036**
July 26, 2004

A letter from Mr. Bronze, dated July 22, 2004, was received by our office by FAX on the same date at 11:02 a.m. designating the date of July 23, at 3:00 p.m. (less than one working day) to meet and confer regarding the Defendant's First Set of Request for Production and the Plaintiff's Responses. I suggested to meet and confer after the Hemlani Deposition scheduled for Friday, July 23, 2004.

In our meeting on Friday, July 23, 2004, Mr. Pipes claimed that certain financial records were not produced. Mr. Bronze corrected Mr. Pipes that such documents were indeed produced.

Later that day - July 23 - - at 3:29 p.m. our office received via FAX a letter from Mr. Pipes calling for a response by 4:00 p.m. on Monday, July 26, 2004. Mr. Pipes notice is unreasonably short. Accordingly, our Response will be served on or before Friday, July 31, 2004.

Although I indicated that I will respond to Mr. Bronze on the date requested - - Tuesday, July 27 - - our Response likewise be served on or before Friday, July 31, 2004.


JOAQUIN C. ARRIOLA

JCA/ctt

MESSAGE CONFIRMATION

JUL-26-2004 04:51 PM MON

FAX NUMBER : 6714779734
NAME : ARR IOLACOWAN&ARR IOLA

NAME/NUMBER : 6477671
PAGE : 3
START TIME : JUL-26-2004 04:49PM MON
ELAPSED TIME : 01'50"
MODE : STD ECM
RESULTS : [O.K]

Law Offices

Arriola, Cowan & Arriola

Joaquin C. Arriola
Mark E. Cowan
Anita P. Arriola
Joaquin C. Arriola, Jr.
—
Jacqueline T. Teriaje

259 Martyr Street, Suite 201
C & A Building
Post Office Box X
Hagåtña, Guam 96910

Telephone: (671) 477-9730/3
Telecopier: (671) 477-9734
E-mail: acalaw@netpci.com

TELECOPIER COVERSHEET

DATE: July 26, 2004

TO: Jacques G. Bronze FACSIMILE NO.: (671) 647-7671
Bronze & Tang, P.C.

TO: Richard A. Pipes FACSIMILE NO.: (671) 647-7671
Law Offices of Richard A. Pipes

FROM: Joaquin C. Arriola

RE: Sadhvani et al. v. Hongkong Shanghai Banking Corporation, Ltd., et al.
District Court of Guam, Civil Case No. CV03-00036

TOTAL PAGES TRANSMITTING (INCLUDING COVER SHEET): 3

CONFIDENTIALITY NOTICE. The information in this facsimile is intended for the use of the addressee only. It may contain information that is privileged, confidential, and exempt from disclosure. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that a dissemination, distribution or copying of this communication is strictly prohibited. If you have received this facsimile in error or if there is a transmission error, please notify us immediately by telephone and return the original message to us by mail. Thank you.

MESSAGE:

Transmitting letter dated July 26, 2004 in connection with the above-referenced matter. Thank you.

JCA/ett

If there is a problem with transmittal, please call Cynthia at (671) 477-9730/33.

Originals forwarded via:

____ Hand Delivery ____ U.S. Mail ____ Express Mail ☒ Not Forwarded

MESSAGE CONFIRMATION

JUL-26-2004 04:53 PM MON

FAX NUMBER : 6714779734
NAME : ARRIOLACOWAN&ARRIOLA

NAME/NUMBER : 6477671
PAGE : 3
START TIME : JUL-26-2004 04:52PM MON
ELAPSED TIME : 01'58"
MODE : STD ECM
RESULTS : [O.K]

Law Offices

Arriola, Cowan & Arriola

Joaquin C. Arriola
Mark E. Cowan
Anita P. Arriola
Joaquin C. Arriola, Jr.
Jacqueline T. Terlaje

259 Martyr Street, Suite 201
C & A Building
Post Office Box X
Hagåtña, Guam 96910

Telephone: (671) 477-9730/3
Telecopier: (671) 477-9734
E-mail: acalaw@netpci.com

TELECOPIER COVERSHEET

DATE: July 26, 2004

TO: Jacques G. Bronze FACSIMILE NO.: (671) 647-7671
Bronze & Tang, P.C.
TO: Richard A. Pipes FACSIMILE NO.: (671) 647-7671
Law Offices of Richard A. Pipes
FROM: Joaquin C. Arriola
RE: Sadhvani et al. v. Hongkong Shanghai Banking Corporation, Ltd., et al.
District Court of Guam, Civil Case No. CV03-00036

TOTAL PAGES TRANSMITTING (INCLUDING COVER SHEET): 3

CONFIDENTIALITY NOTICE. The information in this facsimile is intended for the use of the addressee only. It may contain information that is privileged, confidential, and exempt from disclosure. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that a dissemination, distribution or copying of this communication is strictly prohibited. If you have received this facsimile in error or if there is a transmission error, please notify us immediately by telephone and return the original message to us by mail. Thank you.

MESSAGE:

Transmitting letter dated July 26, 2004 in connection with the above-referenced matter. Thank you.

JCA/ett

If there is a problem with transmittal, please call Cynthia at (671) 477-9730/33.

Originals forwarded via:

____ Hand Delivery ____ U.S. Mail ____ Express Mail ☒ Not Forwarded